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STRATEGIES, PRIORITIES AND POLICIES FOR THE AFRICAN LEAST DEVELOPED COUNTRIES

Proposals and Recommendations submitted
by
the Conference on the Problems and Prospects
of the African Least Developed Countries
Convened in accordance with E C A Resolution 353(XIV)

For consideration by the O A U African Economic Summit
(Lagos, April 1980)

UNITED NATIONS

1. The original list of the least developed among the developing countries was established in 1971 by the General Assembly at its twenty-sixth session in resolution 2768 (XXVI). The list was recommended by the United Nations Committee for Development Planning on the basis of indicators of per capita gross domestic product, the level of industrialization and literacy rate. To date, there are 30 countries in the world which are included in the list of the least developed countries. Among these, 20 are in Africa; these are: Benin, Botswana, Burundi, Cape Verde, the Central African Republic, Chad, the Comoros, Ethiopia, the Gambia, Guinea, Lesotho, Malawi, Mali, the Niger, Rwanda, Somalia, the Sudan, Uganda, the United Republic of Tanzania and the Upper Volta. Six other African countries, namely Angola, Djibouti, Equatorial Guinea, Guinea-Bissau, Sao Tome and Principe and Seychelles, have requested to be included in the list of least developed countries. The Committee for Development Planning at its fourteenth session held in March 1978 found that, on the basis of the available information, none of these countries satisfied the stipulated criteria for inclusion in the list. It however resolved to consider their case as part of a general review of the present list on the basis of recent information and additional criteria for identifying the least developed countries which will be carried out early in the 1980s.

2. The list of least developed countries was established so that the international community could give special attention to the particular problems and structural difficulties facing these poorest and weakest developing countries. Special measures to be implemented in their favour were established at the third and fourth sessions of UNCTAD in resolutions 62 (III) and 98 (IV). Unfortunately, many of the appeals in these resolutions for "special attention" in trade policy matters and in other fields have so far led to only limited actions or have not been implemented at all and thus the development performance in the least developed countries has continued to be disappointing and the prospects for the future remain extremely bleak.

3. It is against this background that the ECA Conference of Ministers at its fifth session held at Rabat in March 1979, adopted resolution 353 (XIV) which inter alia invited the Executive Secretary of ECA, within the framework of Africa's Development Strategy, to draw up a special programme of aid and assistance for the least developed, land-locked and island developing countries and appealed to member States to take the necessary measures to ensure the success of ongoing bilateral and multilateral negotiations aimed at facilitating access to ports for land-locked countries including goods transit facilities as well as appropriate application of customs charges. The Executive Secretary of ECA was further invited, in co-operation with donor countries, international, intergovernmental and non-governmental organizations to give substantial aid to the least developed countries, particularly land-locked countries, in their endeavours to open up their economies. The resolutions also called on all member countries to give their full support to the crash programme and the new programme of action for the 1980s elaborated in the Arusha Programme for Collective Self-reliance and Framework for Negotiations adopted at the fourth Conference of Ministers of the Group of 77 in Arusha, United Republic of Tanzania.

4. On the basis of the Arusha Programme for Collective Self-reliance and Framework for Negotiations, the international community at large took a major step at the fifth session of UNCTAD in adopting resolution 122 (V) in which it decided to launch a comprehensive and substantially expanded programme for the least developed countries with both immediate and longer-term phases as follows:

"Phase One: An immediate effort to meet the critical situation of the least developed countries in the form of an Immediate Action Programme 1979-1981 of greatly expanded assistance for the least developed countries, aimed at (1) providing an immediate boost to their economic and immediate support for projects for the provision of the most pressing social needs, and (2) paving the way for much larger longer-term development efforts, and

"Phase Two: A Substantial New Programme of Action for the 1980s for the least developed countries with the objective of transforming their economies toward self-sustained development and enabling them to provide at least internationally accepted minimum standards of nutrition, health, transport and communications, housing and education as well as job opportunities to all their citizens, and particularly to the rural and urban poor".

5. Against this background and in view of the fact that 20 out of the 30 least developed countries are in Africa, the Executive Secretary of ECA convened an intergovernmental conference from 17 to 22 March 1980 at Addis Ababa to consider the problems and prospects of the African Least Developed Countries and more specifically the implications of the Comprehensive New Programme of Action regarding national programmes of development, mobilization of external resources and required machinery at regional level. In addition to the officials of the African least developed countries, the Executive Secretary of ECA invited the following high-level African and other personalities as senior advisers to the Conference: Mr. M. Beheiry, Mr. R.K. Gardiner, Prof. Ambica Ghosh, Mr. A. Jamal, Mr. Mersie Ejigu and Mr. Albert Muganga. The least developed African countries represented at the meeting were: Benin, Burundi, Cape Verde, Chad, the Comoros, Ethiopia, the Gambia, Guinea, Lesotho, Malawi, the Niger, Rwanda, the Sudan, the United Republic of Tanzania and Uganda.

6. Participants reviewed the critical circumstances of the least developed African countries, identified areas requiring urgent action, analysed provisions made for the least developed countries at the international level and adopted a set of specific proposals and courses of action.

The African least developed countries: Past trends and perspectives

7. For many historical reasons, most of the African least developed countries continue to suffer from a serious deterioration of their economic situation. The per capita GDP growth rate has declined to a mere 0.8 per cent per year against 1.1 per annum in the 1960s, mainly as a result of the serious lag of agricultural and food production whose growth rates have fallen far behind that of population. This has had a direct impact on the manufacturing sector, the growth of which was reduced drastically from 8.8 per cent in the 1960s to only 3.3 per cent in the 1970s. Given such a weak performance in production, investment has had to be financed by increased external resources worsening in most of the countries the balance-of-payments deficit and their external indebtedness. Further, the purchasing power of the exports of the African least developed countries has declined substantially because of the deterioration in their terms of trade. African least developed countries are among those countries which have most suffered from rising oil prices and world inflation. Rising food and oil import bills are becoming a burden on their balance-of-payments and capital markets are more and more beyond their reach.

8. In these conditions the prospects of African least developed countries are extremely bleak, entailing continuing stagnation or even a decline in absolute levels of living for the majority of the population already living in extreme deprivation. Unless major fundamental domestic structural changes are initiated as a matter of urgency and unless massive domestic mobilization efforts are undertaken by the Governments to bring about these structural changes and unless these domestic efforts are strongly supported and complemented by substantially external material and financial assistance in the critical sectors, the projections made by the ECA secretariat show that the average over-all growth rate will be just equal to or even fall below population growth rates in the African least developed countries.

9. The 11 land-locked and the two island least developed countries are further handicapped by the high cost of transport and the lack of reliability and security of transit services. Similarly the ten drought-prone least developed countries suffer from continuous natural impediments. In addition, the impact of the external uncertainty and upheavals which prevailed in the 1970s have aggravated the economic and social problems faced by these countries.

10. In these circumstances, African least developed countries have not received the external financial assistance commensurate with their needs. Actually, not only is the absolute amount of financial flows per capita to African least developed countries half the African average, but flows to the least developed countries have grown less than for other African developing countries. In addition, conditions of aid have deteriorated with a declining proportion of ODA and other concessional flows. Also the growing time lag between the negotiation of aid and the receipt thereof as well as discriminatory practices by some donors has been putting a brake on the development effort of these countries.

Priority areas for action

11. From the accounts given by representatives of individual African least developed countries of their respective country experiences it has been found that common problems exist which require similar courses of action. It is agreed that any success in the implementation of the Comprehensive New Programme of Action requires the assessment of priorities for domestic policy and international assistance. Therefore, it is recognized that there is an urgent need for African least developed countries to assert that

(a) the primary responsibility of developing their economies remains with the African least developed countries themselves and the total political commitment of the member States to the pursuit of these objectives is necessary,

(b) social and economic reforms should be undertaken by these countries themselves to ensure that the benefits of all productive efforts are shared equitably by the total population and also to ensure the full participation of the people in the development process,

(c) development of national capabilities should be accelerated in order to utilize efficiently and exercise full control over their natural resources on the one hand and lay a strong scientific and technological infrastructure for rapid economic growth and transformation on the other hand; and

(d) it is the wish of African least developed countries to establish a self-reliant and self-sustaining economy as rapidly as possible and to take their rightful place in the community of nations, ultimately contributing towards the prevalence of peace and justice at the subregional, regional and global levels.

12. For the fulfillment of the above objectives, priority areas for action should include the following:-

(a) the development of the agricultural base in order to achieve not only self-sufficiency in food production but also production of an adequate surplus. Emphasis should in particular be given to the increased production of grain and cereals which now account for a major source of foreign exchange drain. Since currently about 30 to 40 per cent of the food in African countries is wasted due to the lack of adequate handling, marketing and storage arrangements and transport facilities, there is need for an integrated programme embodying the production, processing and marketing of agricultural products along with massive investment in irrigation systems, training farmers in the use of improved techniques, price policies to ensure sufficient incentives to farmers to increase production and finally adequate transportation network. Since many African least developed countries suffer from chronic food insecurity emphasis needs to be given to national, subregional and regional food security programmes.

(b) making industry a leading sector of the national economy so that the state of gross underdevelopment is brought to an end. Emphasis should be given to the establishment of a sound industrial base with strong linkages to agriculture, and priority accorded to the processing of locally produced raw materials and the production of basic inputs to agriculture.

(c) the development of transport and communications with emphasis on building local capacities for the construction and maintenance of feeder roads in order to ensure efficient production and distribution of goods and services. Stress should also be laid on the improvement of transit services for land-locked countries and on the development of multimodel transport systems. The accelerated development of transport and communications is essential not only as a first step towards regional co-operation and integration but also as a means of opening up land-locked countries.

(d) the development of a national education and training programme with a view to ensuring an appropriate linkage to the production processes as well as to internal and external marketing activities and to product development.

(e) the development of energy potentials and in particular renewable sources of energy so as to reduce dependence on external sources.

(f) the improvement of data collection, processing and dissemination, in order to strengthen their capacity in the formulation and implementation of plans and programmes as well as to facilitate the monitoring of progress at the regional and international levels.

(g) the strengthening of efforts to redress drought and combat desertification.

13. The international environment in which the African least developed countries are required to sustain their economies has been extremely oppressive and indeed exploitative. The least developed countries neither get fair values for their products nor receive any protection for the accelerating cost of technology and essential imports including the cost of importing oil.

14. The Conference therefore recommends:-

(a) that the volume of official development assistance to African least developed countries should immediately increase substantially in real terms so that these countries can realize economic and social changes and make real progress in the 1980s. In that context, donors should:

(i) make commitments to give financial and technical assistance to individual least developed African countries on a continuous and automatic basis and on highly concessional terms.

(ii) streamline procedures of aid in order to reduce delays in approving projects and disbursing funds,

(iii) adopt criteria for project evaluation and selection based on the conditions and needs of African least developed countries,

(iv) refrain from using non-economic criteria in the allocation of aid,

(v) create a mechanism to control the implementation by donor countries of their aid commitments.

(vi) cancel all debt so far contracted by African countries without any discrimination.

(b) that appropriate mechanisms be created urgently at the international level in order to finance the oil requirements of African least developed countries and to reduce the existing heavy burden on their balance of payments and the uncertainty in oil supply.

Preparation for the United Nations Conference on Least Developed Countries

15. The forthcoming United Nations Conference on the Least Developed Countries offers an unprecedented opportunity to the international community to examine exhaustively and comprehensively the historical, geographical and prevailing economic factors relating to the least developed countries and to embark on an irreversible international process committed to real economic growth and justice.

The Conference therefore recommends that:-

(a) the country programmes envisaged in the Substantial New Programme of Action for the Least Developed Countries should be built on the existing development plans and programmes which the African least developed countries have and should not disrupt them.

(b) for the purpose of the United Nations Conference in 1981, least developed countries should not be asked to prepare detailed programmes for the whole decade of the 1980s but rather to focus on the first five years of the decade.

(c) the United Nations Conference on the Least Developed Countries should not degenerate into an occasion which would require the poor countries to beg for aid. This would be contrary to the concept of world economic inter-dependence. The United Nations Conference should emphasize the need to take co-operative measures without delay to assist the least developed countries in their efforts to attain self-reliance and self-sustaining growth. The preparation and actual conference arrangement should take fully into account the sovereignty of participating States.

The role of ECA during the Third United Nations Development Decade within the framework of the African Strategy in the 1980s

16. As far as the role of ECA during the Third United Nations Development Decade within the framework of the African Strategy in the 1980s is concerned, it is agreed that ECA, as the main organ of the United Nations in Africa, is responsible for initiating and participating in measures for facilitating concerted action for socio-economic development in Africa. Furthermore, considering the Development Strategy for Africa for the Third United Nations Development Decade and the mandate given to regional commissions by the General Assembly in its resolutions 32/197 and 34/206 it is imperative that ECA be totally involved in the development process of African least developed countries particularly where about two thirds of the world's least developed countries are in Africa and comprise almost half the membership of ECA.

17. Accordingly it is strongly believed that:

(a) ECA has a special role to play in the monitoring, review and evaluation of the implementation of the Comprehensive New Programme of Action on behalf of least developed African countries in accordance with resolution 5 (iii) of UNCTAD Intergovernmental Group on the Least Developed Countries.

(b) With regard to the preparations for the forthcoming United Nations Conference on Least Developed Countries scheduled for 1981, UNCTAD has the paramount role as the global United Nations organ designated by the General Assembly to prepare for the Conference. Since, however, ECA is the regional Commission covering two thirds of the world's least developed countries, UNCTAD should work closely with ECA in the preparation of the Conference.

(c) While it is recognized that UNDP, specialized agencies and UNCTAD have a responsibility for resource mobilization at the global level, ECA should be involved in the various donor-recipient consultations including the country round-tables envisaged for the preparation of the country programmes.

In view of the large number of least developed countries in Africa and in order to ensure the effective monitoring, review and evaluation of regional and international activities on behalf of the least developed countries it is recommended that a Conference of Ministers of African Least Developed Countries be instituted by the ECA Conference of Ministers as a subsidiary organ of the Commission. The sessions of this Conference should take place a few days before the ECA Conference of Ministers. Furthermore, in order to develop the capacity of ECA to undertake the substantial and continuous technical work that needs to be undertaken on behalf of the African least developed countries, it is necessary to strengthen the capacity of ECA secretariat in coping with the additional responsibility. Accordingly, a special unit within the secretariat of ECA responsible for the special problems of the least developed countries and monitoring the implementation of the special measures in favour of least developed African countries should be set up.

It is also recommended that ECA should expand its work on projection models for the least developed countries since these models are a useful tool for programming and policy formulation. It is further recommended that the annual Survey of Economic and Social Conditions in Africa should contain a special section on individual African least developed countries which should contain a review of the implementation of special measures in favour of the least developed countries.